

23.04.01

Sir John Parker, Chairman, Lattice Group - Speech on the Lattice Foundation to the First Lattice Group Annual General Meeting

Let me endorse Phil's vote of thanks to all the employees of the Lattice Group – including, of course, Phil himself. He and his management colleagues have successfully led from the front during a most demanding period of change.

As well as their valued contribution to the progress of the Lattice Group and its businesses, many of our colleagues are active in contributing to the communities in which they live and work. So too, in a corporate sense, is the Lattice Foundation which I have the privilege to chair.

The Lattice Foundation is a practical expression of the belief that successful businesses can only thrive within successful vigorous communities.

The Lattice Foundation has been concentrating its pioneering work and resources on three target areas, piloting a number of innovative 'flagship' projects:

- firstly, to tackle social deprivation and help regenerate local communities;
- secondly, to help those suffering from fuel poverty, while saving energy and improving the environment;
- and, thirdly, to help people – especially those less privileged - reach their full potential through continuous learning and self-development.

Throughout the year, we continued our groundbreaking initiative in the field of education. Lattice Creative Education (CRED) is aimed at 15 and 16 year olds, who have failed to benefit from traditional education and are therefore most at risk of unemployment and exclusion as they move into adult life. Together with Reading Borough Council and the Central Berkshire Education Business Partnership, we established an alternative work-related curriculum, whereby the young people spend three days a week at our office-based learning centre in Reading, and the other two days on work experience placements.

In the first year, we achieved average attendance rates in excess of 85% compared with rates of 40% typical of such young people in their conventional schools. Importantly, they have gained valuable vocational qualifications – and, above all, self esteem. Estelle Morris, the Minister for School Standards, cited our programme as an example of best practice. In her words, "there is no greater reward than seeing young people able to fulfil their potential".

Now the Government is giving full financial backing to follow-up CRED schemes elsewhere in the country.

We also operate a scheme with the Reading Young Offenders Institution to partner and train fifty young offenders in forklift truck driving. Again, this has demonstrated the excellent results that can be obtained through new and creative approaches to old problems - more than 70% of the young people involved have since found employment, and only three subsequently went on to re-offend. The scheme won the Business in the Community's Focused Action 2000 Award and is being considered by the Government as a model for national roll-out.

Those of you who attended last year's BG AGM may recall that we were receiving considerable Government support for Transco's plans to launch an Affordable Warmth Programme to tackle the pressing national problem of fuel poverty. We have now launched the programme, and we are

managing one of the Government's five pilot 'Warm Zones' in partnership with Stockton-on-Tees Borough Council. Heat leasing contracts have been signed, and the first trainees in energy measures and advice, and gas installation have successfully completed their courses. This business-led partnership is one of the largest programmes to tackle fuel poverty in Britain and is an excellent example of public-private partnership. We anticipate that up to one million homes across the country will have gas central heating installed and that a training programme will equip over ten thousand people with new skills.

To target unemployment, and community regeneration, the Lattice Foundation also works in hard-hit areas where traditional industries have declined. In our Transco Green Futures programme, over a three year period, 1,500 young unemployed people will work on environmental improvements and energy-efficiency tasks within their own communities. Each young person is paid for their work and receives help from us in finding permanent employment or further training. The goal is to equip them for a productive working life.

This programme is now being extended to provide direct routes into jobs for trainees in the gas industry – a classic case of serving the needs of the business and of society. It provides a striking illustration of the potential for creating both shareholder value and social value – the theme of the Lattice Foundation.

This completes our review of the Lattice Group's activities.